



NORTH CAROLINA GENERAL ASSEMBLY

Session 2019

Fiscal Analysis Memorandum

CONFIDENTIAL

Requestor: Representatives Howard, Setzer, and Szoka
Analyst(s): Brian Slivka
RE: PCS to H17v2 - Local Option Meals Tax/Brunswick Co. Munis.

SUMMARY TABLE

FISCAL IMPACT OF PCS TO H.B. 17, V.2 (\$ in millions)

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
Local Impact					
Local Revenue	-	-	-	-	-
Less Local Expenditures	-	-	-	-	-

NET LOCAL IMPACT

Refer to Fiscal Analysis section

FISCAL IMPACT SUMMARY

The PCS to House Bill 17 (Second Edition) would authorize the municipalities in Brunswick County to levy a prepared food and beverages tax of one-half percent (0.5%) by referendum. The net proceeds of the tax would only be used by the municipality for beach nourishment or to construct and improve public infrastructure and facilities, or both.

FISCAL ANALYSIS

According to data provided via the North Carolina Department of Commerce's Labor and Economic Analysis Division's database, the following chart shows annual sales for establishments with NAICS Code 7225 – Restaurants and Other Eating Places for those municipalities located within Brunswick County.

As the PCS to House Bill 17 (Second Edition) would allow individual municipalities within Brunswick County to levy a 0.5% food and beverage tax by referendum, the below chart estimates tax revenues for those municipalities.



Municipality	Annual Sales (\$)	Estimated Tax Revenue (\$)
Bald Head Island	4,414,000	22,070
Belville	831,000	4,155
Boiling Spring Lakes	-	-
Bolivia	982,000	4,910
Calabash	18,679,000	93,395
Carolina Shores	1,662,000	8,310
Caswell Beach	-	-
Holden Beach	1,058,000	5,290
Leland	32,744,000	163,720
Navassa	-	-
Northwest	-	-
Oak Island	7,583,000	37,915
Ocean Isle Beach	19,889,000	99,445
Sandy Creek	-	-
Shallotte	28,489,000	142,445
Southport	22,979,000	114,895
St. James	-	-
Sunset Beach	8,645,000	43,225
Varnamtown	-	-

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

NORTH CAROLINA DEPARTMENT OF COMMERCE

FISCAL ANALYSIS MEMORANDUM – PURPOSE AND LIMITATIONS

This document is a fiscal analysis of a bill, draft bill, amendment, committee substitute, or conference committee report that is confidential under Chapter 120 of the General Statutes. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts. This document is not an official fiscal note. If a formal fiscal note is requested, please email your request to the Fiscal Research Division at FiscalNoteRequests@ncleg.net or call (919) 733-4910.

